

## RETAINER AGREEMENT

THIS AGREEMENT is made between the PALESTINIAN Authority ("the Government") and Bannerman and Associates, Inc. (the "Firm").

- 1) The Palestinian Authority and the Firm have agreed that the Firm will render government relations services to assist the Palestinian Authority, working closely with the Palestinian Office in Washington, to further enhance and develop the U.S. - Palestinian bilateral relationship. The Firm will assist the Palestinian Authority in identifying goals and objectives and developing strategies to achieve these goals. The Firm will provide the Palestinian Authority with advice and assistance to further improve and complement contacts with all levels of the United States Government.
- 2) In order to assist the Palestinian Authority to advance more effectively the interests of Palestinians in Washington and to improve the U.S. - Palestinian relationship, the Firm will augment the Palestinian Authority and its Washington Office efforts by:
  - Developing with the Palestinian Authority a clear strategy to promote Palestinian interests in Washington;
  - Generating with the Palestinian Authority creative, concrete approaches to enhance existing relations and to meet challenges in the bilateral relationship;
  - Meeting with the Palestinian Office representatives and the Office staff to coordinate efforts on behalf of the Palestinian Authority;
  - Working with the Palestinian Authority, the U.S. Administration, and Congress to strengthen and enhance the bilateral relationship;
  - Providing the Palestinian Authority with regular analysis of specific aspects of current thinking in Washington on issues of importance;
  - Covering and reporting on Congressional hearings, markups, and conference committee meetings that are relevant to the Palestinian Authority;

- Maintaining day-to-day contacts with Congressional staff and Administration officials;
  - Tracking and interpreting introduced or pending legislation which may be relevant to the Palestinian Authority and reporting our assessment of these issues back;
  - Providing advice on the coordination of Congressional staff visits to the West Bank and Gaza; and,
  - Suggesting, identifying, and helping to undertake other initiatives which could benefit Palestinians and further strengthen the U.S. - Palestinian relationship.
- 3) The Firm will prepare weekly memoranda on developments in Washington which are relevant to the Palestinian Authority. In addition, memoranda on other issues of interest will be prepared as such issues arise.
  - 4) The Firm will be available at all times to advise and assist the Palestinian Authority and its Washington Office. Regular contacts will be established between personnel of the Firm and the Washington Office of the Palestinian Authority. The representative will be kept informed of the issues of importance to Palestinians on which the Firm is active.
  - 5) The Firm will help develop and initiate a public relations campaign, which will help counter negative media coverage of the Palestinian Authority and present Palestinian views in the best possible light.
  - 6) The firm will commit to work with a relevant counterpart team representing the Palestinian Authority on a work program based on the priorities established by the Palestinian Authority during the first two months after signature of this contract.
  - 7) The firm will work with a designated counterpart team as appointed by the Palestinian Authority, and will continue to build capacity among the team in the areas of communications, writing and lobbying skills in the US.

- 8) The firm and the counterpart team will agree on a model of communication to ensure a consistent and dynamic relation which will involve close contacts with the Palestinian Office in Washington DC and with the Palestinian Authority in the West Bank and Gaza respectively.
- 9) The firm will provide general advice and assistance to the Palestinian Authority as it tries to outsource other specialized firms in the USA in the areas of public relations, advertising, marketing, corporate relations, legal and other advice within the area of the expertise of the firm.
- 10) For the above and other identified services, the Palestinian Authority will compensate the Firm at the rate of \$375,000.00 each six months, inclusive of all expenses incurred by the Firm in Washington. Any costs for travel outside of Washington borne by the Firm at the request of the Palestinian Authority will be reimbursed to the Firm.

Payments will be made semiannually in the sum of Three-hundred and Seventy-five Thousand Dollars (\$375,000.00) and will be payable at the beginning of each period: October 15, 1999, April 15, 2000, October 15, 2000, April 15, 2001, October 15, 2001, and April 15, 2002.
- 11) This agreement shall cover a term of thirty-six months, beginning on the effective date of October 15, 1999 and will be automatically extended annually on the same terms and conditions unless either party terminates or modifies the Agreement by written notice sixty (60) days in advance of the anniversary date of the Agreement.
- 12) In connection with the above outlined representation, it is understood that the Firm will be required under United States law to register its representation of the Palestinian Authority with the United States Government, and that the Firm will comply with all requirements of United States law in this connection.

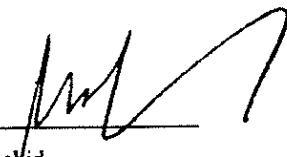
IN WITNESS THEREOF, THE Parties have caused this Agreement to be executed by their duly authorized representatives on the dates written below:

Palestinian Authority

Bannerman and Associates, Inc.

To Be Designated

To Be Designated

  
\_\_\_\_\_  
Mohamad Rackid  
Economic Advisor to President Yasser Arafat

  
\_\_\_\_\_  
M. D. Bann

DATE: October 10, 1999

DATE: 10/15/99